

**STATEMENT OF STEPHEN P. MARTIN, DEPUTY DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES OF THE HOUSE GOVERNMENT REFORM COMMITTEE, AT AN OVERSIGHT HEARING ON KEY ISSUES FACING THE NATIONAL PARK SERVICE**

**April 22, 2005**

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Mr. Chairman, thank you for the opportunity to appear before you today at this oversight hearing on key issues facing the National Park Service (NPS). We are pleased to provide an overview on the subjects of this hearing, including funding for the NPS, the maintenance backlog, homeland security, and management issues. As the range of subjects is quite broad, my remarks will only briefly touch on each one.

The stewardship responsibilities of the NPS have grown significantly in both size and complexity since 1916, when the NPS was established to manage what was then about 38 national parks and monuments, all located west of the Mississippi River. Today the NPS manages 388 parks and other designated units covering 88 million acres of land throughout the United States and its territories, conserving and interpreting a broad and diverse array of natural and cultural resources. We also manage a number of grant and technical assistance programs to further conserve, protect, and interpret our Nation's historical, cultural, and recreational resources.

In 1916, the parks under the management of the NPS received about 360,000 visitors. By 1963, visitation had reached 100 million; and between 1963 and 1976, visitation doubled to 200 million. Last year, visitation at national park units was about 277 million. While growth in visitation has been relatively moderate during the last decade, the parks continue to be immensely popular. The parks offer an array of rewarding opportunities for enjoyment, respite, reflection, education, and outdoor recreation, and surveys consistently show that around 95 percent of visitors are satisfied with the quality of their experience when they visit a park. We have every reason to believe that the parks and other units of the National Park System and the external programs we manage will continue to be highly valued by the American public and a critically important legacy that each generation leaves to the next.

President Bush has emphasized the importance of our stewardship responsibility for the National Park System by focusing resources on taking better care of our parks. Most notably, the Administration has made it a priority to reduce the maintenance backlog at parks. We have had much success in that area, not only in terms of increasing investments in our park infrastructure, but also in changing the way we manage our facilities. The Administration has also supported steady increases in operating funds, while at the same time trying to slow the growth of the NPS's responsibilities so that the demand for funds would not grow faster than the available monies. And, the Administration has taken steps to improve management on several fronts, setting the stage for us to do more with the available resources.

### Funding

The priorities of the Administration for the NPS are expressed in the FY 2006 budget request, which totals about \$2.2 billion in Department of the Interior appropriations and \$320 million in Department of Transportation appropriations. The FY 2005 appropriation for the Department of the Interior provided a net increase of about \$64 million for operation of the National Park System, which resulted in an average increase to park base budgets this year of approximately 6 percent. The FY 2006 budget request would build on last year's substantial growth by increasing operations funding by \$50.8 million above the FY 2005 enacted level, allowing for, among other things, increases for pay, benefits, and other fixed costs. The budget request also emphasizes funding for the deferred maintenance backlog and a variety of management improvements and reforms.

The NPS relies on other funding sources in addition to appropriations to help carry out our mission. We anticipate receiving about \$278 million in FY 2006 in special fund receipts. That figure includes about \$160 million in revenue from the recreation fees, National Park Pass fees, and transportation fees, and about \$38 million in concessions fees. In addition, NPS also receives a great deal of financial and in-kind support from cooperating associations, friends' groups, and other partnership entities. Many parks benefit tremendously from the work done by volunteers, which increased by 14 percent in 2004, when we saw 140,000 Americans serving as volunteers in our parks.

### Maintenance Backlog

The FY 2006 budget request meets the President's goal of investing \$4.9 billion over five years to address the deferred maintenance backlog. The FY 2006 amount toward this goal is \$1.1 billion. It includes \$717 million for facility maintenance and construction in NPS appropriations, \$320 million for park roads within the Department of Transportation's Federal Lands Highway Program, and an estimated \$108 million in funding dedicated to maintenance from recreational fees. Park roads funding, which would bring 80 percent of park roads into good or excellent condition, depends upon full funding of the President's request and enactment of the Administration's proposed reauthorization of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21).

Through 2004, with the funding requested by the Administration and provided by Congress, NPS has undertaken over 4,000 infrastructure and facility improvement projects nationwide. As a result, visitors are seeing improved trails, more accessible campgrounds, rehabilitated visitor centers, better roads, stabilized historic structures, and reduced environmental threats through improved drinking water and sewage processing systems. An increased focus on cyclic maintenance will help ensure that recent improvements will be adequately maintained.

In addition to promoting more funding for maintenance, the Administration has also focused on the management of facilities. The NPS has developed a comprehensive asset management strategy that has enabled the NPS, for the first time in its history, to inventory its assets and measure the condition of its facilities. During the past three years, NPS has produced a comprehensive asset inventory and established a NPS-wide baseline for facility conditions. We now have preliminary condition assessments for all 388 units, and we anticipate having

comprehensive condition assessments for all of them by the end of 2006. This management tool will enable NPS to target funds to the highest priority needs.

### Homeland Security

In addition to the other challenges the current Administration inherited, we have also had to respond to the threat of terrorism following the September 11 attacks. While the NPS had long been aware that some of our icon parks—the parks that represent our national symbols—may be vulnerable to terrorists activities, the threat to those parks, and others, became much clearer in 2001. Since that time, the NPS has placed a priority on addressing security and law enforcement needs at icon parks, parks along the U.S. border, and NPS units that include critical infrastructure such as dams and water reservoirs. These parks have reevaluated their emergency operations and law enforcement capabilities and made changes as appropriate.

In addition to securing NPS units, the NPS also provides backup response services at several Bureau of Reclamation dams and reservoirs. NPS law enforcement personnel are actively engaged, in cooperation with the Department of Homeland Security and other Federal, state, and local agencies, in stemming the tide of drug cultivation, smuggling, illegal immigration and tending to homeland security measures at icon, border and coastal parks.

The NPS provides security for these areas through the deployment of additional law enforcement park rangers, contract security forces and U.S. Park Police Officers. Specialized training and improved equipment have enhanced security capabilities through physical and technologically advanced security systems. The NPS maintains a surge capacity to rapidly move law enforcement personnel for short or long stays to icon and critical infrastructure parks in the event of elevated threat level or large special events. We also work closely with other Federal, state and local law enforcement agencies to coordinate activities and share resources. The NPS will continue to work to the best of its ability to provide an appropriate level of protection at icon, border, and critical infrastructure parks.

### Management Improvements

This Administration has also placed a high priority on improving the management of the NPS. We noted earlier the way NPS facilities are managed so that we can better prioritize spending. In addition, there have been other management changes that will have a huge, long-term positive impact on our ability to continue to provide good customer service to our visitors.

One area in which we have made improvement is in our concessions management program. Passage of the Concessions Management Improvement Act of 1998, which introduced more competition into the concessions contracting process, generated a dramatic change in the way in which the concessions program is conducted.

Five years ago, the NPS concessions program was in poor shape. The program had been criticized in numerous reports by the Department's Inspector General, the Government Accountability Office, and outside auditors, and it faced a huge backlog of expired or soon-to-be-expired contracts. For the first time in NPS history, the NPS needed to award almost all of the approximately 600 concession contracts.

In response, we conducted a top-to-bottom review and engaged PricewaterhouseCoopers to bring best practices to our efforts and develop protocols for contracting and contract oversight. We began to professionalize our workforce by hiring staff with graduate business degrees and developing training courses for NPS personnel. Since 2001, with the assistance of four top business consultants, we have awarded 322 contracts and expect to award another 125 by the end of this year, bringing the total to 447. This will reduce our backlog to approximately 100 contracts.

The change has not been easy for concessioners or for NPS personnel, and there are still issues that remain unresolved, but we now have a much more business-like program. We are beginning to see a real improvement in visitor services and a better return to the Federal government from concession franchise fees as well as improved maintenance of facilities often required in concession contracts.

The NPS has also improved the way we manage partnership construction projects. For the last several years, we faced a growing problem of well-meaning organizations that wanted to partner with us on building new facilities in parks, usually visitor centers that would ultimately require a larger Federal contribution not only for the project's construction, but also for the cost of maintaining the new facility. Over the last year, the NPS has undertaken a complete inventory of all partnership construction projects of more than \$1 million and implemented a comprehensive project review process that will ensure that projects are mission-essential and achievable. As elements of this process, the NPS has instituted service-wide training, a project tracking system, and an accountability system that will be incorporated into the performance plans of regional directors and superintendents.

The NPS has identified 45 projects valued at \$5 million or more at all stages of planning, the level that requires Congressional concurrence. The NPS will move ahead on projects only after the NPS leadership has determined that:

- the proposed projects address NPS priorities and are consistent with park general management plans,
- partners have the capability to raise promised funding,
- any expected capital contributions from the NPS have been prioritized in the five-year capital plan, and
- ongoing operation and maintenance costs are known and can be sustained over time.

Additionally, the NPS has initiated a standard policy of including language in all agreements with partners that specifically prohibits the solicitation of funding from Congress outside of the budget process.

The NPS is also working toward innovation and reform in the way it manages natural and cultural resources, as well as the way it manages money and information. The NPS Natural Resource Challenge (NRC) continues to make progress towards its goal of developing a scientific base of knowledge about park resources. The NRC is an initiative that has expanded existing inventory programs and developed efficient ways to monitor the vital signs of natural systems, enlisted others in the scientific community to help, and expanded natural resource conservation activities in parks. The FY 2006 budget proposal includes a \$4.9 million increase to

allow for the monitoring of park vital signs and water quality in all 32 multi-park networks for the first time. This monitoring provides park managers with key information on the status and trends in park ecosystem health, defines normal limits of variation in measurable features, provides early warning of situations that require management intervention, suggests remedial treatments and frames research hypotheses, and in some cases determines compliance with laws and regulations.

In an attempt to move toward greater levels of budget and performance accountability, the NPS continues to expand the use of the Program Assessment Rating Tool (PART) activity-based costing, and preliminary planning efforts associated with competitive reviews. PART evaluations and recommendations continue to inform both budget formulation and program management decisions.

We have been working to improve our budget formulation process, particularly related to park specifics, by making it more transparent. We have initiated two new processes to meet this requirement. First, we have developed a park scorecard. The scorecard is an indicator of park financial, operational, and managerial health used to aid in the identification and evaluation of base budget increases for park units. It provides an overarching snapshot of each park's current situation by offering a way to analyze individual park needs and to compare these needs with those of other parks.

Second, we have developed a core operations analysis process that integrates management tools to improve park efficiency. The process is designed to assist park management in making fully informed decisions on staffing and funding alternatives that tie to core mission goals. This will ensure that: funds are spent in support of a park's purpose; funds are spent in an efficient manner; a park's request for funding is credible; and there are adequate funds and staff to conserve and protect the resources for which parks are responsible. The Intermountain Region has been successfully using these analyses and we are already taking steps to implement the process throughout the NPS.

The NPS maintains its support for the President's Management Agenda and has funding in the FY 2006 budget for improving information technology (IT), financial accountability, and other management reforms. The budget proposal includes funds totaling \$6 million for fee program data analysis improvements, a dozen assorted IT initiatives, including security upgrades and the implementation of an enterprise server network, and reform of the Federal Land Acquisition administrative function. The FY 2006 budget also proposes a series of management actions, including rental space consolidation and fleet management reforms that will bring over \$4 million in savings to the government.

Finally, I would like to touch briefly on competitive sourcing, another part of the President's Management Agenda. Competitive sourcing is providing a means for NPS to evaluate its business practices and identify more effective ways to deliver service. One successful outcome of this process occurred at our Southeast Archeological Center, where operations were reconfigured to a more efficient workforce structure, saving an estimated \$850,000 per year over five years. Another was at Natchez Trace Parkway, where facility maintenance savings resulting from a competitive review will save \$1.2 million over five years. In both of these cases, by

improving the management of these functions, the NPS employees were retained. Five areas began undergoing preliminary planning efforts in 2004. Another three parks are scheduled for preliminary planning in 2005.

Mr. Chairman, in summary, we are working harder and more effectively to meet the ongoing challenges, and new ones that come along, of managing the National Park System and the other programs the NPS has responsibility for. We appreciate the interest and support of this subcommittee in our endeavors. That concludes my statement, and I will be happy to answer any questions you or other members of the subcommittee may have.